

CANNABIS CONTROL DIVISION

OVERVIEW

Department of Revenue Director: Brendan Beatty (Appointed by Governor)
Division Administrator: Kristan Barbour

The Cannabis Control Division (CCD) was established within the Department of Revenue due to the passage of House Bill 701 in the 2021 legislative session. The Economic Affairs Interim Committee began its monitoring duties of the Cannabis Control Division on January 1, 2022. The mission of the CCD is to ensure the health and safety of all Montanans through fair administration, education, and enforcement of the Montana Marijuana Regulation and Taxation Act (MMRT).

DEPARTMENT DUTIES

- Administers licenses for:
 - Cultivator licenses
 - Manufacturer licenses
 - Dispensary location license: required for each dispensary
 - Testing laboratories
 - Marijuana transporters
 - Registered medical cardholders
 - Marijuana worker permits
- Seed-to-sale system
- State and local tax administration

Cannabis Control Division		
Budget	FTE actual	2025 Biennial Budget
Personal Services	35	6,253,905
Operating Expenses		4,765,641
Anticipated Transfers*		172,100,000

To ensure the department has enough budget authority to make the cannabis revenue transfers at the end of both fiscal years 2024 and 2025, language in HB 2 provides a transfer appropriation of **up to \$81 M and **\$91.1 M** in FY24 and FY25, respectively. These amounts are higher than the total revenue estimate prepared by the Legislative Fiscal Division. However, the department can only transfer the amount of revenue collected less the amount appropriated to cover the administrative costs of the Cannabis Control Division.*

Estimated Revenue by Source FY 2024 HJ 2 Implied All funds \$ Million

Licensing Fees	Medical Marijuana	Recreational Marijuana
\$4.640	\$6.248	\$42.017

LEGISLATIVE AUDITS

The Cannabis Control Division is audited with the Department of Revenue's regular audits. The most recent (2022) audit of that department did not specify any concerns about CCD.

ECONOMIC AFFAIRS INTERIM COMMITTEE POTENTIAL AREAS OF INTEREST

- Monitoring the implementation of HB948, prohibition of synthetic marijuana products
- Discussion of the concept of consumption lounges
- Tribal licensing

RELATED LEGISLATION PASSED IN 2023

- HB 128** Generally revises marijuana law and provides cleanup to HB701 from the 2021 session. Legislation is the product of the interim study done on the recreational marijuana program implementation. Clarifies monitoring duties, extends the moratorium for new marijuana licenses, transfers the authority over marijuana testing laboratories from the Department of Public Health and Human Services to the Department of Revenue, clarifies the formula for municipal tax revenue allocation, revises definitions.
- HB 229** Revises marijuana laws; allows for a probationary license for testing laboratories; allows for a variance in the measurement of a single-serve edible product.
- HB 903** Generally revises marijuana laws; adds preschools to the distance requirement for a licensed premises; allows a combined-use license to increase canopy tiers; revises the fee structure for licensing of dispensaries; requires a report to the Board of Medical Examiners if a physician issues more than 39 written certifications in a calendar year.
- HB 948** Prohibits the manufacture and distribution of synthetic marijuana products; provides for enforcement by departments and law enforcement; provides for restrictions by local government; clarifies unlawful transactions regarding the distribution of synthetic marijuana products to children; clarifies the offense of altering a label on dangerous drugs; requires public reporting of violations; creates a temporary advisory council; establishes reporting requirements.